

Adopted	Rejected
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COMMITTEE REPORT

YES:	9
NO:	3

MR. SPEAKER:

*Your Committee on Agriculture, Natural Resources and Rural Development, to which was referred House Bill 1571, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill **be amended** as follows:*

- 1 Page 3, delete lines 3 through 42, begin a new paragraph and insert:
- 2 "SECTION 4. IC 15-4-14 IS ADDED TO THE INDIANA CODE
- 3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 4 JULY 1, 2003]:
- 5 **Chapter 14. Seed Contracts**
- 6 **Sec. 1. (a) Except as provided in section 2 of this chapter, this**
- 7 **chapter applies to a seed contract for seed that is planted in**
- 8 **Indiana.**
- 9 **(b) Other applicable Indiana law not in conflict with this**
- 10 **chapter applies to a seed contract.**
- 11 **Sec. 2. This chapter does not apply to either of the following:**
- 12 **(1) A seed contract entered into before January 1, 2004.**
- 13 **(2) A production contract.**

1 **Sec. 3. The definitions set forth in IC 15-4-13 apply throughout**
2 **this chapter.**

3 **Sec. 4. (a) A seed contract is not enforceable against a farmer**
4 **unless:**

5 **(1) the farmer; or**

6 **(2) an individual explicitly authorized by the farmer to sign**
7 **the contract on the farmer's behalf;**

8 **has signed the contract.**

9 **(b) If a farmer or a person authorized by the farmer accepts**
10 **delivery of seed before the farmer or an individual explicitly**
11 **authorized by the farmer signs the seed contract, the following**
12 **apply:**

13 **(1) There is an agreement between the farmer and the seed**
14 **supplier consisting of the bargain of the parties in fact as**
15 **found in their language or by implication from other**
16 **circumstances, including course of dealing, usage of trade, or**
17 **course of performance.**

18 **(2) The farmer is not bound by any written provision in the**
19 **seed contract until the farmer or an individual explicitly**
20 **authorized by the farmer signs the seed contract.**

21 **Sec. 5. (a) The provisions of this chapter are considered to be a**
22 **part of every seed contract.**

23 **(b) A seed contract is not required to contain or restate any**
24 **provision of this chapter.**

25 **(c) A bag or other container used by the seed supplier to deliver**
26 **the seed to the farmer is not required to bear a label or any other**
27 **writing containing or restating any provision of this chapter. A**
28 **provision found on a label or any other writing on a seed bag or**
29 **container inconsistent with this chapter is not enforceable against**
30 **a farmer.**

31 **(d) The failure of a seed supplier to state any provision of this**
32 **chapter in a seed contract, on a label, or in any other writing on a**
33 **seed bag or container is not considered a violation of this chapter.**

34 **Sec. 6. A provision of a seed contract in conflict with this**
35 **chapter is void.**

36 **Sec. 7. A provision of a seed contract that purports to waive a**
37 **provision of this chapter is void.**

38 **Sec. 8. A seed contract is governed by the laws of Indiana.**

1 **Sec. 9. (a) If a seed contract purports to choose the laws of a**
 2 **jurisdiction other than Indiana to govern the contract, the choice**
 3 **is not enforceable.**

4 **(b) If a seed contract purports to choose a forum that would not**
 5 **otherwise have jurisdiction over the farmer, the choice is not**
 6 **enforceable.**

7 **Sec. 10. Communications:**

8 **(1) between a farmer and:**

9 **(A) a member of the farmer's immediate family;**

10 **(B) an attorney;**

11 **(C) an accountant;**

12 **(D) a professional advisor; or**

13 **(E) a partner, an associate, or another individual engaged**
 14 **with the farmer in the farming enterprise for which the**
 15 **seed was purchased;**

16 **(2) regarding the terms of a seed contract; and**

17 **(3) made for the purpose of giving advice to the farmer;**

18 **are not a breach of a confidentiality provision in a seed contract.**

19 **Sec. 11. If:**

20 **(1) a product in which the seed supplier has rights is possessed**
 21 **by the farmer or found on real property owned or occupied**
 22 **by the farmer; and**

23 **(2) the presence of the product is de minimus or not intended**
 24 **by the farmer;**

25 **the farmer is not liable for breach of the seed contract or violation**
 26 **of any of the seed supplier's property rights.**

27 **Sec. 12. (a) This section does not apply to a dispute between seed**
 28 **suppliers.**

29 **(b) A farmer has a right of action against a seed supplier if the**
 30 **seed supplier attempts to enforce against the farmer:**

31 **(1) contract rights arising under a seed contract that violates**
 32 **this chapter; or**

33 **(2) any property rights in seed provided under a seed contract**
 34 **that violates this chapter.**

35 **(c) If a farmer successfully prosecutes a claim or asserts a**
 36 **defense in an action filed under this section, the court shall, in**
 37 **addition to actual damages proven by the farmer, award to the**
 38 **farmer reasonable attorney's fees, reasonable litigation costs, and**

- 1 **court costs if the court finds any of the following:**
- 2 **(1) The seed supplier brought the action on a claim or**
- 3 **maintained a defense that is frivolous, unreasonable, or**
- 4 **groundless.**
- 5 **(2) The seed supplier continued to litigate the action or**
- 6 **defense after the seed supplier's claim or defense clearly**
- 7 **became frivolous, unreasonable, or groundless.**
- 8 **(3) The seed supplier litigated the action in bad faith."**
- 9 Page 4, delete lines 1 through 28.
- 10 Renumber all SECTIONS consecutively.
- (Reference is to HB 1571 as introduced.)

and when so amended that said bill do pass.

Representative Bischoff